

DEROGATION LETTER

IN RESPECT OF INTERIM ORDERS ISSUED PURSUANT TO SECTION 81 ENTERPRISE ACT 2002

Please note that [✂] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

[✂],

Consent under section 81 of the Enterprise Act 2002 to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority ('CMA') on 3 July 2020.

Completed acquisition by PUG LLC of StubHub, Inc., StubHub (UK) Limited, StubHub Europe S.à.r.l., StubHub India Private Limited, StubHub International Limited, StubHub Taiwan Co., Ltd., StubHub GmbH, and Todoentradas, S.L.

We refer to your submissions of 17th, 25th and 26th of June 2020 requesting that the CMA consent to a derogation from the Interim Order of 3 July 2020 (the "**Interim Order**"). The terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for written consent by the CMA, Pugnacious Endeavors, Inc., ("**viagogo**") and PUG LLC ("**PUG**") are required to hold separate the viagogo business from the StubHub business and refrain from taking any action which might prejudice the reference under section 22 of the Act or impede the taking of any remedial action which might be justified following the decisions on that reference.

After due consideration of your request for derogations from the Interim Order, based on the information received from you and in the particular circumstances of this case, viagogo, PUG and StubHub may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(b), 5(c), 5(e) and 5(h) of the Interim Order – [REDACTED] of StubHub lease agreements

StubHub submits that in order [REDACTED] required for it to operate more efficiently as an independent business and to deal more effectively with the unprecedented impact of the Coronavirus (COVID-19) pandemic and its foreseeable impact on the ticketing industry, it is necessary for StubHub to [REDACTED] the leases of StubHub's [REDACTED] ("Lease Agreements"). StubHub states that the [REDACTED] of the Lease Agreements seeks to ensure the ongoing viability of the StubHub business.

StubHub submits that this derogation will not lead to any integration of the StubHub and viagogo businesses nor will the derogation enable viagogo to control the StubHub business. StubHub also submits that the [REDACTED] of the Lease Agreements will not prejudice the reference and have no impact on any remedial action contrary to paragraph 4 of the Interim Order.

The CMA consents to a derogation from paragraphs 5(c), 5(e) and 5(h) of the Interim Order for StubHub to [REDACTED] the following Lease Agreements:

- I. [REDACTED];
- II. [REDACTED];
- III. [REDACTED];
- IV. [REDACTED]; and
- V. [REDACTED].

This derogation from paragraphs 5(b), 5(c), 5(e) and 5(h) of the Interim Order is granted strictly on the basis that:

- a) the [REDACTED] of the Lease Agreements will not amount or lead to any integration of the StubHub and the viagogo businesses and will have no impact on the CMA's determination of the reference or any remedial action that the CMA may need to take regarding the merger;
- b) the [REDACTED] of the Lease Agreements is strictly necessary to [REDACTED] and ensure the effective and efficient running of the StubHub business with a view to ensuring its ongoing viability;
- c) if deemed necessary by the CMA, StubHub will be able to [REDACTED];
- d) the [REDACTED] of the Lease Agreements will not result in any operational impact to the StubHub business. Further, [REDACTED] of the Lease Agreements and will be able to continue to effectively fulfil [REDACTED];

- e) StubHub will continue to [REDACTED].
- f) for the avoidance of doubt no other changes to the current StubHub [REDACTED] will take place without seeking a derogation from the CMA;
- g) StubHub must comply with its obligations under the Interim Order and no other action will be taken by StubHub which might prejudice a reference under section 22 of the Act or impede the taking by the CMA of any action which might be justified by the CMA's decision on that reference without seeking a derogation from the CMA.

2. Paragraphs 5(b) 5(c), 5(d), 5(e) and 5(h) of the Interim Order – [REDACTED] of [REDACTED] Agreement

StubHub submits that the Coronavirus (COVID-19) pandemic has led to the decrease of transaction volume and in turn, [REDACTED] because of event cancellations and postponements, StubHub intends to [REDACTED].

In particular, StubHub is requesting the CMA's consent in order to [REDACTED] agreement dated [REDACTED] concluded between [REDACTED].

StubHub submits that the [REDACTED] and to provide the [REDACTED]. The [REDACTED].

StubHub has stated that this derogation does not seek to integrate the StubHub and viagogo businesses nor to enable viagogo to control the StubHub business, but merely to enable StubHub to [REDACTED] Agreement.

StubHub also submits that the [REDACTED] Agreement will not have any impact on the CMA's ability to take remedial action contrary to paragraph 4 of the Interim Order. On the contrary, StubHub argues that the [REDACTED], to operate more efficiently as an independent business and to [REDACTED] which is necessary in order for StubHub to deal more effectively with the unprecedented impact of the Coronavirus (COVID-19) pandemic.

The CMA consents to a derogation from paragraphs 5(b), 5(c), 5(d), 5(e) and 5(h) of the Interim Order for StubHub to:

- I. [REDACTED] Agreement; and
- II. [REDACTED].

This derogation from paragraphs 5(b), 5(c), 5(d), 5(e) and 5(h) of the Interim Order is granted strictly on the basis that:

- a) the [X] Agreement will not amount to any integration of the StubHub and the viagogo businesses and will have no impact on any remedial action that the CMA may need to take regarding the merger;
- b) the [X] Agreement is strictly necessary to [X] and ensure the effective and efficient running of the [X] with a view to ensuring StubHub's ongoing viability;
- c) StubHub will [X].
- d) should StubHub's business needs increase and transaction volume resume to normal rhythms, StubHub will [X].
- e) the [X] Agreement will not result in any operational impact to the StubHub business or otherwise impair StubHub's ability to deal effectively with the expected workload of the [X].
- f) for the avoidance of doubt no other changes to the current StubHub [X] agreements will take place without seeking a derogation from the CMA;
- g) StubHub must comply with its obligations under the Interim Order, including with respect to any course of action to [X]. For the avoidance of doubt, no other action will be implemented by StubHub without seeking a derogation from the CMA;
- h) StubHub must comply with its obligations under the Interim Order and no other action will be taken by StubHub which might prejudice a reference under section 22 of the Act or impede the taking by the CMA of any action which might be justified by the CMA's decision on that reference without seeking a derogation from the CMA.

3. Paragraphs 5(b) and 5(c) – [X] and [X]

StubHub seeks a derogation to paragraphs 5(b) and 5(c), of the Interim Order to [X] by implementing certain [X]. StubHub intends to implement these [X] in order to: (i) [X]; and (ii) [X].

StubHub submits that these changes are urgent and necessary for the effective operation of the StubHub business and [X] within the meaning of the Interim Order.

The CMA consents to a derogation from paragraphs 5(b) and 5(c), of the Interim Order for StubHub to [X]:

- a) [X];
- b) [X];

- c) [REDACTED];
- d) [REDACTED];
- e) [REDACTED]; and
- f) [REDACTED].

StubHub submits that this derogation will not lead to any integration of the StubHub and viagogo businesses and that it will have no impact on any remedial action contrary to paragraph 4 of the Interim Order.

This derogation from paragraphs 5(b) and 5(c), of the Interim Order is strictly on the basis that:

- a) it will not amount to any integration of the StubHub and the viagogo businesses and will have no impact on any remedial action that the CMA may need to take regarding the merger;
- b) it is strictly necessary to [REDACTED] and ensure the effective running of the StubHub business with a view to ensuring its ongoing viability and competitive capability;
- c) it will not result in any operational impact to the StubHub business or otherwise impair StubHub's ability to deal effectively with the expected workload of the organisation;
- d) none of the [REDACTED] within the meaning of the Interim Order;
- e) StubHub must comply with its obligations under the Interim Order, including with respect to any course of action to [REDACTED]. For the avoidance of doubt, no other [REDACTED] will be implemented by StubHub without seeking a derogation from the CMA;
- f) no other action will be taken by StubHub which might prejudice a reference under section 22 of the Act or impede the taking by the CMA of any action which might be justified by the CMA's decision on that reference without seeking a derogation from the CMA.

4. Paragraphs 5(b) and 5(c), of the Interim Order – [REDACTED] of employees in [REDACTED]

StubHub seeks a derogation to paragraphs 5(b) and 5(c), of the Interim Order in order to [REDACTED]. StubHub intends to implement these measures in response to the continuing adverse economic impact of the COVID-19 pandemic on the StubHub business.

StubHub submits that the [REDACTED] for the continued operation of the StubHub business. Similarly, the [REDACTED] in the light of the current circumstances.

StubHub submits that these changes are urgent and necessary for the effective operation of the StubHub business as they will enable StubHub to [REDACTED]. In addition, [REDACTED] within the meaning of the Interim Order.

StubHub submits that this derogation will not lead to any integration of the StubHub and viagogo businesses and that it will not have any impact on any remedial action contrary to paragraph 4 of the Interim Order.

The CMA consents to a derogation from paragraphs 5(b) and 5(c), of the Interim Order for StubHub to:

a) [REDACTED] are the following:

- I. [REDACTED];
- II. [REDACTED];
- III. [REDACTED];
- IV. [REDACTED];
- V. [REDACTED];
- VI. [REDACTED]; and
- VII. [REDACTED].

b) [REDACTED] are the following:

- I. [REDACTED];
- II. [REDACTED];
- III. [REDACTED];
- IV. [REDACTED]; and
- V. [REDACTED].

This derogation from paragraphs 5(b) and 5(c) of the Interim Order is strictly on the basis that:

- a) it will not amount to any integration of the StubHub and the viagogo businesses and will have no impact on any remedial action that the CMA may need to take regarding the merger;
- b) it is strictly necessary to [redacted] and ensure the effective running of the StubHub business with a view to ensuring its ongoing viability and competitive capability;
- c) it will not result in any operational impact to the StubHub business or otherwise impair StubHub's ability to deal effectively with the expected workload of the organisation;
- d) [redacted] within the meaning of the Interim Order;
- e) the [redacted] and StubHub [redacted];
- f) StubHub will [redacted];
- g) StubHub must comply with its obligations under the Interim Order, including with respect to any course of action to [redacted]. For the avoidance of doubt, no other [redacted] will be implemented by StubHub without seeking a derogation from the CMA; and
- h) no other action will be taken by StubHub which might prejudice a reference under section 22 of the Act or impede the taking by the CMA of any action which might be justified by the CMA's decision on that reference without seeking a derogation from the CMA.

Yours sincerely,

Stuart McIntosh

Panel Chair

14 July 2020